

EXHIBIT 7

PRIMECARE MEDICAL, INC. +

The Choice for Quality Correctional Healthcare

February 25, 2008

Richard C. Smith, MS, CCHP
Vice President of Operations
PrimeCare Medical, Inc.
3940 Locust Lane
Harrisburg, PA 17109

RE: PCM Code of Conduct Violations

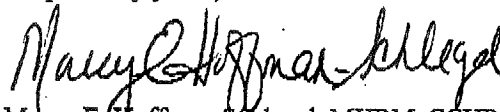
Dear Rick:

On February 3, 2008, you were asked if you had removed any PrimeCare Medical, Inc. financial information (Profit and Loss Statements and Audited Financial Statements) from the corporate office. You responded that you had not. When asked where you obtained the numbers contained in the "whistleblower" letter delivered to Dr. Hoffman and Joshua D. Lock, Esq. on January 28, 2008, you answered that you produced those numbers from "memory" and "off the top of my head."

Thereafter, you were directed to leave the office, search your home for any financial documents which you may have, and return with them to the office. Later that day, you returned with thirty-nine (39) separate items, including many financial records – Profit and Loss Statements and Audited Financial Statements that pertain to PrimeCare Medical, Inc. You delivered these documents to Frank Komykoski and he immediately inventoried these documents, of which a copy is attached. Upon your return, you were asked if the documents included financial records. You repeatedly stated that they did not. When asked the nature of the returned documents, you stated that they were "personal notes."

PrimeCare Medical's Code of Conduct requires, "the highest standards of personal integrity." This policy is meaningless if Vice-Presidents fail to adhere to it. Your conduct on several occasions on February 3, 2008, constitutes an egregious violation of the PrimeCare Medical, Inc. Code of Conduct. For those violations, you are herewith being issued this written reprimand.

Respectfully yours,



Marcy E. Hoffman-Schlegel, MHRM, CCHP
Jr. Vice-President of Human Resources

Attachment

Enclosure (1)

Inventory of items returned to the Corporate Office on 04 Feb 08 from his home by Richard C. Smith

1. PCM, Inc. Policy Acknowledgement Form (unsigned)
2. PCM C-07 Combined Leave Guidelines and Operational Procedures Form (unsigned)
3. Minutes of the 17th Meeting of the PCM Board of Directors 09 Sep 99
4. Knights of Von Duke Insurance Meeting Minutes 29 Sep 99
5. Resolution #1,2,3,4 not executed for PCM, Inc. Board of Directors May 00
6. Knights of Von Duke Limited Articles of Association (18 pgs) 10 Sep 99
7. Knights of Von Duke Limited Directors Meeting Minutes 07 Oct 99
8. PCM, Inc. Corporate Board Meeting Agenda 08 May 00
9. Waiver of Notice 18th Meeting of the PCM Board of Directors 08 May 00
10. Board of Directors, PrimeCare Medical of West Virginia, Inc. (5 pgs) 29 Jun 99
11. PCM, Inc. Financial End of Month Dec 06
12. PCM, Inc. Financial End of Month Mar 07
13. Seligman and Friedman End of Year Summation Analysis 31 Dec 05
14. Seligman and Friedman End of Year Summation Analysis ((2) Copies) 31 Dec 04
15. PCM, Inc. Financial End of Month Dec 00
16. Seligman and Friedman Audited Financial Statement December 31, 1998 and 1997
17. Seligman and Friedman Audited Financial Statement December 31, 2004 and 2003
18. Seligman and Friedman Audited Financial Statement December 31, 2006 and 2005
19. PCM, Inc. Financial End of Month 31 Dec 03
20. Seligman and Friedman Audited Financial Statement December 31, 1997 and 1996
21. PCM, Inc. Finance Department Billing Spreadsheet 19 Apr 04
22. Dunn and Bradstreet Report 26 Feb 07
23. Dunn and Bradstreet Report (copy) 26 Feb 07
24. Weideman and Doughty (Financials 1998) 27 Jan 99
25. Weideman and Doughty (Financials through 30 Sep 99) 5 Nov 98
26. PCM, Inc. Month End Report 31 Dec 04
27. PCM, Inc. Month End Report 30 Nov 06
28. PCM, Inc. Month End Report 30 Jun 06
29. Dunn and Bradstreet Report 16 Feb 03
30. PCM, Inc. Month End Reports 30 Nov 99 and 31 Dec 00
31. PCM, Inc. Month End Report 31 Oct 06
32. PCM, Inc. Month End Report 31 Jun 06
33. Memo to Paul Seibert (PCM, Inc. Income Statement 1st Qtr. 2006) 31 Mar 06
34. PCM, Inc. Month End Report 30 Sep 06
35. PCM, Inc. Month End Report 30 Nov 99
36. Partial Month End 31 Aug 06
37. PCM, Inc. Month End Report 28 Feb 07
38. Seligman and Friedman Financial Statements 31 Dec 98 and 97
39. PIHS Financial Statement 13 Aug 93